

CENTRAL INTELLIGENCE AGENCY

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INFORMATION REPORT

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SECRET

COUNTRY Hungary

REPORT

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SUBJECT Industrial Information from
the Budapest Area

DATE DISTR. 25 May 1954

25X1

NO. OF PAGES 2

DATE OF INFO.

REQUIREMENT

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PLACE ACQUIRED

REFERENCES

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1. Soon after the announcement of the new economic policy in 1953, the Ministry of Metallurgy and Machine Industries ordered drastic cuts in all branches of heavy industry. The various enterprises received instructions which permitted them to communicate directly with each other and inform one another about the cancellation orders, thereby enabling them to make the necessary adjustments in their production schedules and applications for allocations of raw materials. The enterprises had to store all industrial machinery which had previously been ordered but not taken over by the customers. The State Bank made loans, equal to the amount of the cancelled orders, to the enterprise to ensure the continued operation of the factories.
2. The dynamo factory (Dinamó Villamosforgógépgyár), which was to be the focal unit for producing all small electric motors for the local market, fulfilled only 65 percent of its plan in 1952 because of the shortage of raw materials, particularly copper. The factory is located at Gyomroi ut 150, Budapest X. It employs 2,400 workers and makes AC electric motors up to 20 HP.
3. The Metalware and Machine-Tool Factory (Fémárú és Szerszámgépgyár) in Budapest was ordered by the Ministry to cancel production of 320 Skoda-type lathes from its 1953 plan and to postpone their production until 1954. This plant employs 3,500 to 4,000 workers.
4. The BVK (Budapesti Villamosgép és Kábelgyár) works, formerly the Siemens works in Budapest, makes AC electric motors up to six HP. Its 1953 production plan was approximately 14,000,000 forint. The factory has a Soviet adviser.
5. The Electric Fuse Factory (Villamos Biztosítékgár), formerly the Binet és Társa, located on Széchenyi tér, Újpest, is the sole supplier of fuses for the Hungarian Army. Its yearly production plan is approximately 40,000,000 forint.

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6. The Electrical Instrument and Material Factory (EKA) Füzér u. 37-39 Budapest X, makes electrical installations for radar stations. It employs approximately 2,500 workers.
7. The Illumination Technical Enterprise (Világítástechnikai Vállalat), Francia ut 11, Budapest XIV, makes flamethrowers for the Hungarian Army. It employs approximately 600 workers. Although a new building for this factory has been built in Kőbánya, it has not yet been put into operation.

8. The following personalities are known:

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- a. Apor (fnu), head of the procurement of raw materials section of the BVK factory

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- b. Bihari (fnu), technical manager of the "Dinamó" factory

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- c. István Dékány, employed in the department of raw material surplus control of the Ministry of Metallurgy and Machine Industry

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- d. György Elekes is the technical manager of the Refrigerator Factory (Hűtőgépgyár) in Budapest.

- e. Ferenc Gadnal is the technical manager of the Refrigeration Engineering and Maintenance Factory (Hűtőgépjavitó és Karbantartó Vállalat) in Budapest.

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- f. Imre Gárdos (formerly Goldstein), department chief in the Electric Fuse Factory

- g. József Gedő is also a department chief in the Electric Fuse Factory.

- h. Lajos Horvath, formerly general manager of the Refrigeration Engineering Factory, is now a common worker at the enterprise.

- i. Imre Kovács is chief of the commercial department at the EKA factory.

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- j. Pénzes (fnu), head of the commercial department at the "Dinamó" factory

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- k. Imre Paal is the chief technical adviser at the Refrigerator Factory in Budapest.

- l. József Reisz is a famous technician in Budapest who specialized in making metal membranes known as "Tombac". He now has a tradesman's license and does independent work, including orders from the military engineering institute.

- m. Szél (fnu), chief engineer at the Illumination Technical Enterprise

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